



UNIVERSITY  
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UPPER AUSTRIA

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# Identifying indicators to facilitate the decision of customizing, standardizing or modularizing Industrial services

David Znidersic MA | 17th of May 2018

HAGENBERG | LINZ | STEYR | WELS

# Motivation

## The focus has traditionally been on the product level

- Homogenisation on the product level
  - Differentiate from low-cost manufacturers
- Balance the cash-inflow from the product sales
  - Second source of income
- Customers demand services due to complex products



### **Hybrid-bundles**

- Solutions
- Value creation
- Competitive advantage
- Lock-in customers

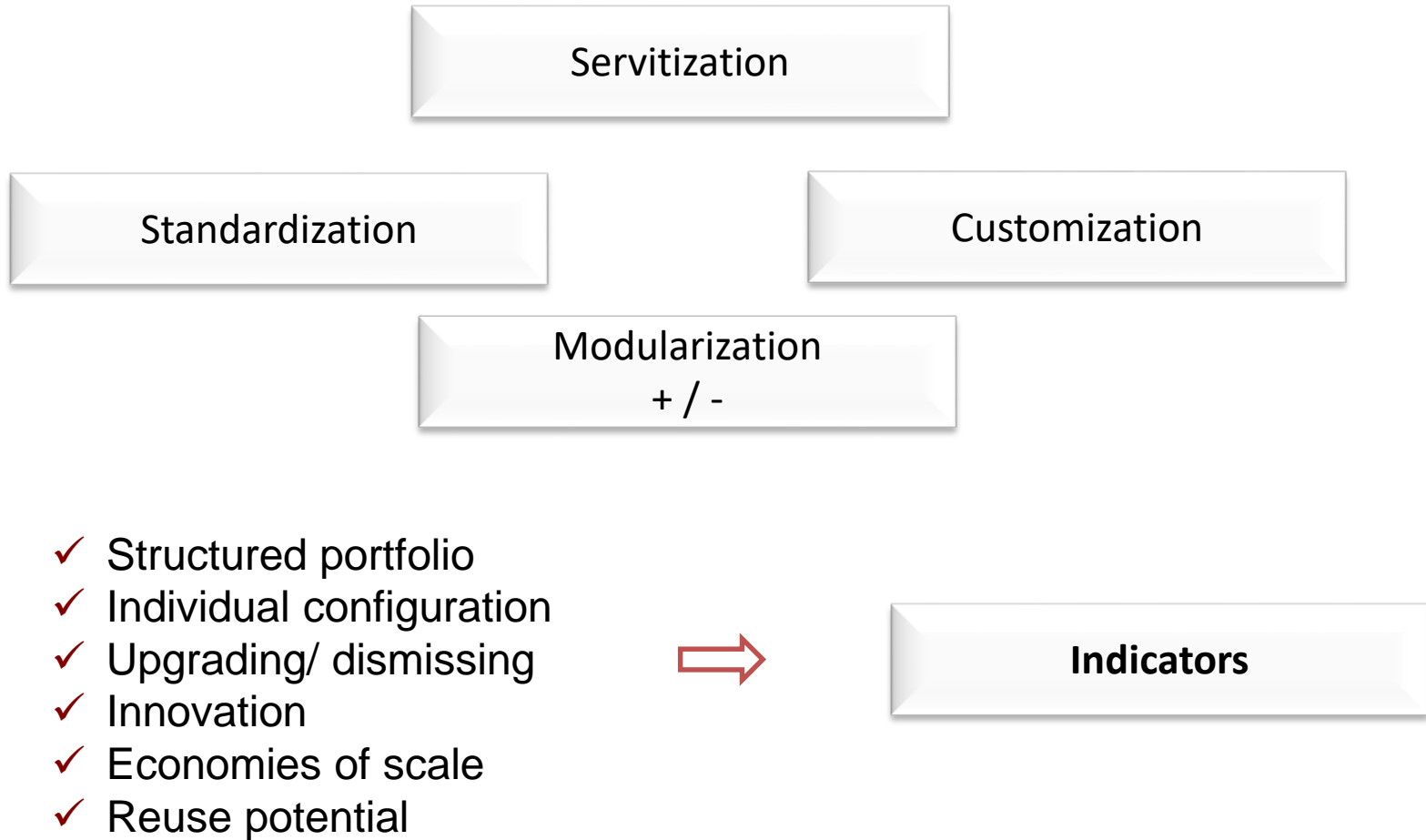
# Research Questions

***RQ1 What are indicators that help companies decide on one specific service mode?***

***RQ2 What are pre-requisites for successful service modularization?***



# Theory



# Empirical Study



- ✓ Qualitative Interviews
- ✓ Machine producing & plant construction industry
- ✓ > 250 employees
- ✓ Upper-Austrian companies
- ✓ Strongly export oriented

- ⇒ Increasing service-orientation
- ⇒ „Unconscious“ service modularization
- ⇒ Product still the core business

# Snapshot of the main findings

Dimensions	Indicators	Standardization	Customization	Modularization
Manufacturer Dimension	Reusing & duplicating services	Supported	Not supported	Strongly supported
Customer Dimension	Customer-centric innovation	Not supported	Strongly supported	Supported
Product Dimension	Recurring damage patterns of products	Not mentioned	Time consuming analysis of damage	Speeds up repair and take back of products
Service & Process Dimension	Complexity and speed of buying process	Fast & easy but no options	Time consuming & complex	Selection among modules fastens process

# Managerial Implications

## Successfully modularizing services

- Shared importance of service-orientation
- Allocation of resources and responsibilities
- Definition of modules and interdependencies
- Involvement of the sales staff and customers

- ⇒ Combination of service modes is more likely
- ⇒ Not every service mode fits to every company
- ⇒ 4 dimensions as a checklist

# Limitations & further research

- One geographic region
- Only 1 SME (< 250)
- Well-established companies
- Focus on machinery producing industry
- Qualitative interviews only
  - Missing quantitative study



## Not black nor white



*„Combination of different service modes“*